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New No.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D.C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W. RECORDATION NO. Filed 1425

WASHINGTON, D.C.

20006

12699

OF COUNSEL
JESS LARSON
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
440348 CDAA UI

December 31, 1980

DEC 31 1980 - 11 52 AM

INTERSTATE COMMERCE COMMISSION
0-868A034

No.

Date... DEC 31 1980

Fee \$ 50.00

1425 Washington, D. C.

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Madam:

Enclosed for recordation under the provisions of 49 U.S.C. §11303(a) are original and five counterparts of a Coal Car Lease Agreement (OGSX Lease) dated April 15, 1980.

The names and addresses of the parties to the enclosed document are as follows:

LESSOR: Unitrain, Inc.
666 Grand Avenue
P.O. Box 657
Des Moines, Iowa 50303

LESSEE: Iowa Power and Light Company
666 Grand Avenue
P.O. Box 657
Des Moines, Iowa 50303

DEC 31 11 43 AM '80
DOCKET FILES
BRANCH

A general description of the railroad equipment covered by the enclosed document is set forth in Schedule I attached to this letter and made a part hereof.

The undersigned is agent for the Lessor for the purpose of recording the enclosed document and has knowledge of the matters set forth therein.

C. T. Kapler
Charles T. Kapler

Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
December 31, 1980
Page Two

Please return the counterparts of the Lease Agreement not needed for recordation purposes to Cary J. Malkin, Esq., Mayer, Brown & Platt, 231 South LaSalle Street, Chicago, Illinois 60604 or to the bearer hereof.

Also enclosed is a check in the amount of \$50.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Very truly yours,

ALVORD AND ALVORD
Agent for Unitrain, Inc.

By Charles T. Kappler
Charles T. Kappler

SCHEDULE I

DESCRIPTION OF EQUIPMENT

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Identification Numbers</u>
unit train coal cars AAR Mechanical Designation: G292	367	OGSX 1 through 367, both inclusive

Interstate Commerce Commission
Washington, D.C. 20423

12/31/80

OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
200 World Center Building
918 16th Street, N.W.
Washington, D.C. 20006

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/31/80** at **11:50am**, and assigned re-
recording number(s).

12699 & 12700 & 127701

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

OGSX
LEASE

DEC 31 1980 - 11 52 AM

Coal Car Lease Agreement

INTERSTATE COMMERCE COMMISSION

On this the 15th day of April, 1980, UNITRAIN, INC., which has its offices at 666 Grand Avenue, P.O. Box 657, Des Moines, Iowa 50303 ("Lessor"), hereby leases to IOWA POWER AND LIGHT COMPANY, having its principal place of business at 666 Grand Avenue, P.O. Box 657, Des Moines, Iowa 50303 ("Lessee"), the following property (the "Equipment"):

Fifteen percent undivided interest (15%), as a tenant in common, in three hundred and sixty seven (367) Coalveyor unit train coal cars identified as OGSX 1-367 and further described on Schedule I hereto;

to be used by the Lessee solely for the transportation of coal, subject to the following conditions and covenants:

Section 1. Lease of Undivided Ownership Interest. Lessor and Lessee understand and agree that the ownership, use and disposition of the unit train coal cars leased hereunder shall be undertaken in a manner which is consistent with Lessee's obligations as a joint owner in the Ottumwa Generating Station Unit #1 and consistent with Lessor's obligations as the owner of an undivided interest as a tenant in common with certain other owners of said unit train coal cars.

Section 2. Term. The term of this Lease shall commence on April 15, 1980 and shall terminate on July 1, 1995, except that Lessee shall have the option to extend this Lease until July 1, 2000 and renegotiate the rent by giving the Lessor written notice by April 30, 1995.

Section 3. Basic Rental. Lessee agrees to pay Lessor \$27,000 per month on and after October 1, 1980 for property leased hereunder (the "Rent") and to pay the costs of operation and maintenance of the cars, including but not limited to tariff billings, taxes and insurance. For the month of June 1980, the Rent shall be \$9,200. For July through September 1980, the Rent shall be \$18,600 per month.

Section 4. Rental Adjustment. The amount of the Rent is based on Lessor's borrowing the necessary funds at an interest rate of twelve percent (12%) per annum. Should a lower rate be obtained by the Lessor, the Rent shall be reduced by three and one-tenth percent (3.1%) for each full percent change in the interest rate. Should the Lessor be required to pay a higher rate, the Rent shall be increased by three and one-tenth percent (3.1%) for each full percent change in the interest rate. Adjustments to the Rent, if necessary, shall be made at the end of each calendar quarter retroactively to reflect the average monthly interest rates during that quarter. Rent will then be collected at the new rate, subject to adjustment, if any, at the end of the next subsequent quarter. No change will be made until at least one-half of one percent change in the average monthly rate is experienced by Lessor.

Section 5. Invoice and Payment. Lessor shall invoice Lessee for Rent on or before the first day of each month during the term hereof. Lessee shall make payments of invoices by the tenth day of each month. Lessee agrees that it will make payments due hereunder by mail to Lessor at the address given in Section 27.

Section 6. Lessee's Rental Obligation; Net Lease. Except as otherwise expressly provided herein, Lessee's obligation to pay Rent and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances. This Lease is a net lease.

Section 7. Authorization. Lessor represents and warrants that it owns the Equipment and has the requisite power and authority to enter into this Lease with Lessee.

Section 8. Limited Warranty. LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY LESSOR, AND LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF THE EQUIPMENT, AND (B) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT. Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Equipment; and (ii) any loss of business, anticipated profits, downtime, or consequential damages due to interruption of service. Lessee's acceptance of the Equipment under the terms of this Lease shall be conclusive evidence as between Lessee and Lessor that the Equipment is in all respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor based on any of the foregoing matters.

Section 9. Equipment Road Numbers Maintained. The Lessee will cause each item of Equipment to be kept numbered with its respective road number as set forth above. The Lessee will not change the road number of any item of Equipment except in accordance with a statement of new road numbers to be substituted therefor, which statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

Section 10. Liens. Lessee shall pay or satisfy and discharge any and all claims against, through or under Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the property, and any liens or charges which may be levied against or imposed upon the property as a result of the failure of Lessee to perform or observe any of its covenants or agreements under this Lease. However Lessee shall not be required to pay or discharge any such claims so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title or interest of Lessor. Lessee's obligations under this Section 10 shall survive the termination of this Lease.

Section 11. Lessee to Indemnify Lessor. The Lessee shall defend, indemnify and save harmless the Lessor, and its respective successors, agents and assigns from and against:

- (a) any and all loss or damage of or to the Equipment, usual wear and tear excepted, and
- (b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, reasonable counsel fees and costs in connection therewith) which may be incurred in any manner by or for the account of any of them (i) relating to the Equipment or any part thereof, including, without limitation, the possession, construction, reconstruction, remanufacture, purchase, delivery, installation, ownership, leasing, return, sale or disposition of the Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessor or by the Lessee), (ii) by reason or as the result of any act or omission of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, or under any agreement executed in connection herewith, (iii) as a result of claims for patent infringements, or (iv) as a result of claims for negligence or strict liability in tort relating to the Equipment.

Lessor shall give Lessee and Lessee shall give Lessor notice of any event or condition which requires indemnification by Lessee hereunder, or any allegation of such event or condition, promptly upon obtaining knowledge thereof. Lessee shall pay all amounts due hereunder promptly on notice thereof from Lessor.

Section 12. Casualty Occurrence; Obligations of Parties. A "Casualty Occurrence" shall occur when any unit of Equipment has become lost, stolen, destroyed, or, in the opinion of Lessee, irreparably damaged during the term of this Lease or thereafter while such property is in the possession of Lessee, or has been requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease. Upon knowledge of a Casualty Occurrence, Lessee shall promptly and fully inform Lessor. Following payment of the rent payment due immediately after a Casualty Occurrence, and subject to the requirements of Section 18, the obligation to pay rent for Equipment which has suffered a Casualty Occurrence shall terminate (unless such items are replaced with items of similar utility and capacity), but Lessee shall continue to pay rent for all remaining Equipment for the remainder of the term of this Lease.

Lessee shall pay Lessor for any property having suffered a Casualty Occurrence an amount (the "Casualty Value") which is the depreciated value of such item of equipment as determined in accordance with the Interchange Rules formula of the American Association of Railroads; provided, however, if such depreciated value is less than the principal of, and accrued interest on (and premium, if any), the Note (as defined in Section 23 hereof) insofar as it relates to such property, then the Lessee shall also pay the difference between such depreciated value and the principal of, and accrued interest on (and premium, if any) the Note insofar as it relates to such property as part of the Casualty Value. In the event of a Casualty Occurrence involving a requisition or taking of the equipment by any governmental authority, Lessor shall be entitled to receive and retain, all sums payable by such governmental authority as compensation to Lessee for its interest in the property.

Section 13. Expiration of Lease; Return of Equipment. Upon expiration of the term of this Lease or upon the occurrence of an Event of Default, Lessee shall relinquish all rights to utilize the Equipment. The Equipment shall be returned in as good a condition as was at the commencement of this Lease, ordinary wear and tear excepted.

Section 14. Improvements to Equipment by Lessee. Lessee shall have the right to install removable improvements as it may desire, to the Equipment at its own cost. Upon termination of this Lease, Lessee shall have the right to remove all such improvements provided that any Equipment injured in appearance or otherwise by such removal shall be restored to as good a condition as existed at the commencement of this Lease, ordinary wear and tear excepted. Any changes which constitute a permanent improvement or alteration to the Equipment shall not take place without the written agreement of Lessee, Lessor and any assignees.

Section 15. Lessee to Comply with Laws, Regulations, etc. The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission and, if and to the extent permitted thereby, the current Interchange Rules or supplements thereto of the Mechanical Division, A.A.R.) as the same may be in effect from time to time with respect to the use, maintenance and operation of each item of Equipment subject to this Lease. The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, suitable for use in interchange (if and to the extent permitted by the Interchange Rules or supplements thereto of the A.A.R.). In case any law, regulation, requirement or rule is reasonably interpreted as requiring equipment or appliances to be installed on such item of Equipment in order to comply with such law, regulation, requirement or rule, the Lessee agrees to make such changes, additions and replacements at its own expense; provided, however, that Lessee may, in good faith and by appropriate legal proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Lessor and the Assignee adversely affect the property rights, or interests of the Lessor and the Assignee in the Equipment or hereunder.

Section 16. Lessee to Record Documents. The Lessee will, at its sole expense, cause this Lease and the Collateral Assignment (as hereinafter defined) (or a financing statement of similar nature thereof if and to the extent permitted or required by applicable law) to be duly filed, recorded or deposited with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as shall be required by law for the protection of the Lessor's interest in, and the Assignee's security interest in, this Lease. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, re-register or re-record whenever required) any and all further instruments (including, without limitation, financing and continuation statements or similar notices thereof) required by law or reasonably requested by the Lessor or the Assignee for the purpose of protecting the Lessor's interest in, or the

Assignee's security interest in, this Lease or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will upon the written request of the Lessor or the Assignee deliver to the Lessor and the Assignee proof of such filings and an opinion of the Lessee's counsel that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording, and re-recording or depositing and redepositing of any such instruments or incident to the taking of such action.

Section 17. Insurance. The Lessee will at all times while this Lease is in effect, at its own expense, cause to be carried and maintained property insurance in respect of the Equipment at the time subject hereto, and public liability insurance, in amounts (with customary deductibles) and against risks customarily insured against by similar companies in respect of similar equipment; and, in any event, with respect to property insurance, coverage shall be in an amount not less than the Casualty Value of the Equipment and with respect to public liability insurance, coverage shall be in an amount not less than \$5,000,000 per occurrence. The policies of insurance required under this Section 17 shall be valid and enforceable policies issued by insurers of recognized responsibility comparable to the Lessee's present insurers. The benefits of all property insurance will be adjusted with the Lessee, the Lessor and the Assignee, as their interests may appear. With respect to all public liability insurance, the Lessee shall cause each policy to cover the respective interests of the Lessor and the Assignee for claims arising from the ownership, operation, maintenance or use of the Equipment.

On or before the date of the Note, and thereafter not less than 10 days prior to the expiration dates of any expiring policies theretofore furnished under this Section 17, originals of the policies and satisfactory evidence of the payment of premiums thereon shall be delivered by the Lessee to the Lessor and the Assignee, except that the Lessor and the Assignee will accept certificates of insurance from a recognized insurance broker of national standing if such certificates shall be satisfactory in form and substance to the Lessor and the Assignee. Such policies may be blanket policies covering other equipment not covered by this Lease, provided that the aforementioned certificate shall indicate that Equipment leased hereunder is included therein and covered thereby to the full extent of amounts herein required. All such policies shall contain an agreement by the insurers that (i) such policies shall not be cancelled without at least thirty days' prior written notice (or such other maximum prior written notice period less than thirty days as is common insurance industry practice at the time) to the Lessor and the Assignee, (ii) that the insurer will give notice to the Lessor and the Assignee in the event of nonpayment of premium by the Lessee when due and (iii) that such policies shall insure the Assignee as an additional insured regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by the Lessee, the Lessor or any other person.

Any net insurance proceeds (excluding public liability insurance) resulting from insurance carried by the Lessee or condemnation payments actually received by the Lessor in respect of the Equipment suffering a Casualty Occurrence shall be deducted from the amounts payable by the Lessee to the Lessor in respect of Casualty Occurrences pursuant to Section 12. If the Lessor shall receive any such net insurance proceeds or condemnation

payments after the Lessee shall have made a Casualty Value payment pursuant to Section 12 without deduction for such net insurance proceeds or such condemnation payments, the Lessor shall pay such net insurance proceeds or condemnation payments to the Lessee; provided, however, that if an Event of Default hereunder or other event (hereinafter called a "Default") which with notice or lapse of time, or both, would constitute such an Event of Default hereunder shall have occurred and be continuing, such insurance proceeds may be retained by the Lessor and applied to discharge the liabilities of the Lessee hereunder and the balance of such net insurance proceeds or condemnation payments shall remain the property of the Lessor. All net insurance proceeds (excluding public liability insurance) received by the Lessor or the Lessee with respect to an item of Equipment not suffering a Casualty Occurrence shall be applied in payment of the cost of repairing the damage to such item; and any balance remaining after the completion of such repairs shall be paid to the Lessee unless an Event of Default or Default shall have occurred and be continuing, in which case the amount otherwise payable to the Lessee may be retained by the Lessor and applied to discharge the liabilities of the Lessee hereunder.

Section 18. Lessee's Obligations to Continue Until Casualty Value and Rental Paid. The Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any item of Equipment from and after the date hereof and continuing throughout the term hereof until the payment of the Casualty Value and any rental due on and prior to the date of payment of such Casualty Value in respect of such item of Equipment has been made.

Section 19. Inspection of Equipment and Lessee's Records. The Lessor and the Assignee each shall have the right, at its sole cost, liability and expense, by its authorized representative, to inspect the Equipment and the Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Lessor or, as the case may be, such assignee, the existence and proper maintenance thereof during the continuance of this Lease.

Section 20. Events of Default Defined. Any of the following events shall constitute an Event of Default hereunder:

- (a) Lessee shall fail to pay any part of the rent provided in Section 3 and 4 hereof and such default shall continue for ten days;
- (b) Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or of possession of the property, or any portion thereof;
- (c) Lessee shall fail to observe or perform any other covenant, condition and agreement made herein by Lessee and such default shall continue for 15 days after written notice from Lessor to Lessee, specifying the default and demanding the same to be remedied;
- (d) Any representation or warranty made by Lessee herein or in any statement or certificate furnished to lessor pursuant to or in connection with this Lease is untrue in any material respect as of the date of issuance or making thereof;

- (e) The Lessee becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or generally is not able to pay its debts as they become due, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee, receiver or other custodian for the Lessee or for the major part of its property; or a trustee, receiver or other custodian is appointed for the Lessee or for the major part of its property and is not discharged within sixty (60) days after such appointment;
- (f) Any other case or proceedings shall be commenced by or against the Lessee for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder, under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of the obligations of the Lessee hereunder), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees, receiver or receivers or debtor in possession or other custodian appointed for the Lessee or for the property of the Lessee in connection with any such proceeding in such manner that such obligations shall have the same status and priority as obligations incurred by such a trustee or trustees or receiver or receivers or other custodian which are entitled to the first priority for expenses of administration, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier; or
- (g) default in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any indebtedness for borrowed money of, or guaranteed by, the Lessee or default in the performance or observance of any requirement or condition with respect to any such indebtedness or with respect to any material lease or purchase of goods or services if the effect of such default is to accelerate the maturity of any such indebtedness or other material lease or purchase obligation or to permit the acceleration thereof prior to its expressed maturity.

Section 21. Effect of Event of Default. If any Event of Default has occurred and is continuing, the Lessor, at its option, may:

- (a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including reasonable attorneys' fees; or
- (b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but


the Lessee shall remain liable as hereinafter provided. The Lessor shall also have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such accrued number of days in such full rental period and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) an amount which will compensate the Lessor for any loss which may occur as a result of such Event of Default (it being understood that the amount of such potential loss is deemed to be not less than the outstanding principal amount of, and accrued interest on (and premium thereon, if any), the Note), and (ii) any damages and expenses, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease.

So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, Lessee shall be entitled to the possession and use of the property in accordance with the terms of this Lease.

Section 22. Remedies Not Exclusive; Effect of Waiver. The remedies in this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. Lessor and Lessee hereby waive any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by Lessee on its behalf in connection with the lease of the property.

The failure of Lessor or Lessee to exercise the rights granted them hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

Section 23. Lessor's Assignment of Lease and Rentals to Bank. The Lessee and the Lessor hereby confirm that the Lessor intends to execute and deliver to Continental Illinois National Bank and Trust Company of Chicago (herein, together with its respective successors and assigns, the "Assignee") a Collateral Assignment ~~dated as of the date hereof~~ (herein, as from time to time thereafter amended, the "Collateral Assignment") which will assign and grant a security interest to the Assignee in, to and under this Lease and the rentals and other amounts payable hereunder, all as to be more explicitly set forth in the Collateral Assignment. The Lessor hereby agrees that, promptly after the execution and delivery of the Collateral Assignment, the Lessor will deliver an executed copy of the Collateral Assignment to the Lessee. The Lessee hereby agrees that the sums payable by the Lessee hereunder be assigned to the Assignee under the Collateral Assignment shall, upon the written order of Assignee, be paid to the Assignee; provided that until receipt of any such



written order the Lessee shall make all such payments in accordance with the provisions of Section 3 and 4 hereof. Without limiting the foregoing, the Lessee further acknowledges and agrees that, so long as any liabilities of the Lessor (including, without limitation, the Note (the "Note") made pursuant to and defined in the Term Loan Agreement, dated as of December __, 1980, as from time to time thereafter amended, between Lessor and the Assignee) secured by the Collateral Assignment remain unpaid, the Assignee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the Assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor. The foregoing shall not subject the Assignee to, or transfer, pass or in any way affect, the liability of the Lessor under this Lease, it being understood and agreed that all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Assignee.

Section 24. Assignment by Lessee. Any rights and/or obligations of the Lessee under this Lease may be assigned in whole or in part by Lessee only upon the written consent of the Lessor and Assignee. Lessee may sublease the Equipment upon written notice to Lessor; provided, however, that no such sublease shall be for a period in excess of the lesser of two years or one day less than the remaining term of this Lease; and, provided further, that no sublease shall relieve the Lessee of its liabilities hereunder which shall be and remain those of a principal and not a surety.

Section 25. Penalty on Overdue Payments. Notwithstanding anything to the contrary herein contained, any nonpayment of rent or other amount due hereunder, or amounts expended by Lessor on behalf of Lessee, shall result in the additional obligation on the part of Lessee to pay an amount equal to (i) 2% per annum over the prime rate of the Assignee from time to time announced or (ii) the maximum lawful rate, whichever is less, on the overdue expended amounts for the period of time during which they are overdue or expended and not repaid.

Section 26. Notices. Any notice required or permitted to be given by either Party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class, postage prepaid, addressed as follows:

If to the Lessor: Mr. Richard Riley
Unitrain, Inc.
666 Grand Avenue
P.O. Box 657
Des Moines, Iowa 50303

If to the Lessee: Mr. E. L. Birdsall
Iowa Power and Light Company
666 Grand Avenue
P.O. Box 657
Des Moines, Iowa 50303

If to the Assignee: Continental Illinois National
Bank and Trust Company
of Chicago
231 South LaSalle Street
Chicago, Illinois 60693
Attention: Loan Division

Section 27. Advances by Lessor to Insure Performance. If Lessee shall fail to comply with any of its covenants herein contained Lessor may, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by Lessor and all cost and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by Lessee to the Lessor upon demand as additional rent hereunder with interest.

Section 28. Applicable Law. This Lease shall be construed in accordance with the laws of the State of Iowa; provided, however, that Lessor and Lessee shall be entitled to all rights conferred by any applicable federal statute, rule or regulation. In addition, this Lease is subject to any rule or regulation issued by a regulatory authority having jurisdiction over the same, as may change from time to time.

Section 29. Miscellaneous. This Lease supersedes all prior agreements and understandings of the Lessor and Lessee with respect to the subject matter hereof and the Lessor and Lessee shall look only to this Lease for the rights and obligations of themselves with respect to each other related to such matter.

This Lease can only be amended by a written agreement signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized as of the day and year first above written.

UNITRAIN, INC.

ATTEST:

Richard Riley
Title: General Manager

By: JD Pinn

Title: Vice President and Treasurer

IOWA POWER AND LIGHT COMPANY

ATTEST:

L K Vorbrich
Title: Secretary

By: MM Whiting

Title: Executive Vice President

(Corporate Seal)

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this 30th day December, 1980, before me personally appeared P D Ehm, to me personally known, who being by me duly sworn, says that he is Vice President & Treasurer of UNITRAIN, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Keith D Hartje
Notary Public

(NOTARIAL SEAL)

My commission expires:

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this 30th day December, 1980, before me personally appeared MCW Putney, to me personally known, who being by me duly sworn, says that he is Executive Vice President of IOWA POWER AND LIGHT COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Keith D Hartje
Notary Public

(NOTARIAL SEAL)

My commission expires:

SCHEDULE I

DESCRIPTION OF EQUIPMENT

<u>Type of Equipment</u>	<u>Quantity</u>	<u>Identification Numbers</u>
unit train coal cars AAR Mechanical Designation: G292	367	OGSX 1 through 367, both inclusive